

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name : BlackRock Euro Equity

Legal Entity Identifier: 213800PVOIH0A798PN22

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

Yes

No

It made sustainable investment with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made sustainable investments with a social objective : \_\_\_%

It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 80.0% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics but did not make any sustainable investments

All actual data within this periodic report are calculated on the closing date of the accounting year.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by BlackRock Investment Management (UK) Limited (BIM UK), follows a best-in-class approach that selects issuers demonstrating above-average social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria. Under this approach, the financial product has a binding and significant ESG integration approach at each step of the investment process.

The investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset

Management Responsible Business Conduct (RBC) Policy but also through its own baseline exclusion screens, best-in-class selection and the reduction of the financial product's carbon footprint.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.blackrock.com/corporate/sustainability](http://www.blackrock.com/corporate/sustainability).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### ● *How did the sustainability indicators perform?*

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com): **100%**
- The percentage of the financial product's portfolio covered by ESG analysis based on the ESG internal proprietary methodology: **90%**
- The percentage of the financial product's investment universe (MSCI EMU Net) reduction due to BIM UK's own process of exclusionary sectorial and activities screens, best-in-class selection and carbon footprint reduction: **20%**

### ● *...and compared to previous periods ?*

Not applicable for the first periodic report

### ● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

The financial product did not have a minimum proportion of sustainable investments.

### ● *How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?*

The financial product did not intend to make any sustainable investment.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors ?

The investment manager applies BIM UK's exclusionary framework and RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place. More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.blackrock.com/corporate/sustainability](http://www.blackrock.com/corporate/sustainability).

This financial product follows a best-in-class approach that selects issuers demonstrating above-average social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria. As such, at least 20% of the universe of reference is de facto eliminated and an internal extra-financial analysis is performed on a minimum of 90% of the assets of the product.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- BNP Paribas Asset Management voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 30.12.2022

Largest investments	Sector	% Assets*	Country**
LVMH	Consumer Discretionary	9.32%	France
ASML HOLDING NV	Information Technology	8.05%	Netherlands
SCHNEIDER ELECTRIC	Industrials	4.25%	France
SIEMENS N AG N	Industrials	4.12%	Germany
LOREAL SA	Consumer Staples	3.76%	France
MTU AERO ENGINES HOLDING AG N	Industrials	3.54%	Germany
BNP PARIBAS SA	Financials	3.33%	France
PERNOD RICARD SA	Consumer Staples	3.18%	France
MERCK	Health Care	3.02%	Germany
VINCI SA	Industrials	2.71%	France
FINECOBANK BANCA FINECO	Financials	2.64%	Italy
IMCD NV	Industrials	2.64%	Netherlands
DSV	Industrials	2.60%	Denmark
ASM INTERNATIONAL NV	Information Technology	2.44%	Netherlands
STMICROELECTRONICS NV	Information Technology	2,25%	Netherlands

Source of data: BNP Paribas Asset Management, as at 30.12.2022

The largest investments are based on official accounting data and are based on the transaction date.

\* Any percentage differences with the financial statement portfolios result from a rounding difference.

\*\* Any difference with the portfolio statements above are coming from the use of different data's sources.



## What was the proportion of sustainability-related investments?

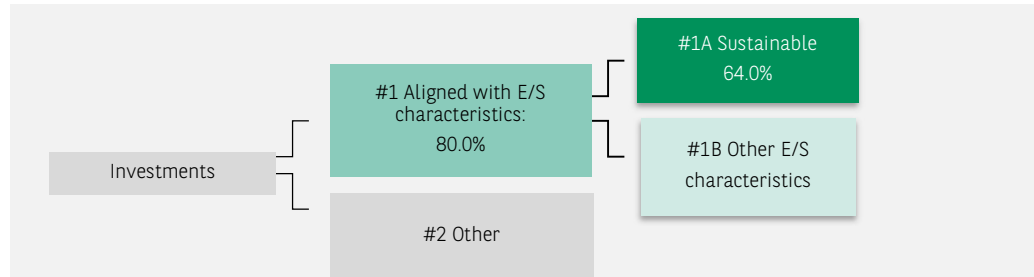
### ● What was the asset allocation ?

80% of the investments of the product were aligned with the E&S characteristics being promoted.

The proportion of sustainable investments of the financial product is 64.0%.

The remaining proportion of the investments is used as described below.

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### ● In which economic sectors were the investments made ?

Sectors	% Asset
Industrials	33.89%
Information Technology	17.03%
Financials	11.31%
Consumer Discretionary	10.72%
Health Care	8.70%
Consumer Staples	6.94%
Materials	4.48%
Energy	1.94%
Cash	1.80%
Communication Services	1.73%
Utilities	1.47%

Source of data: BNP Paribas Asset Management, as at 30.12.2022  
The largest investments are based on official accounting data and are based on the transaction date.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

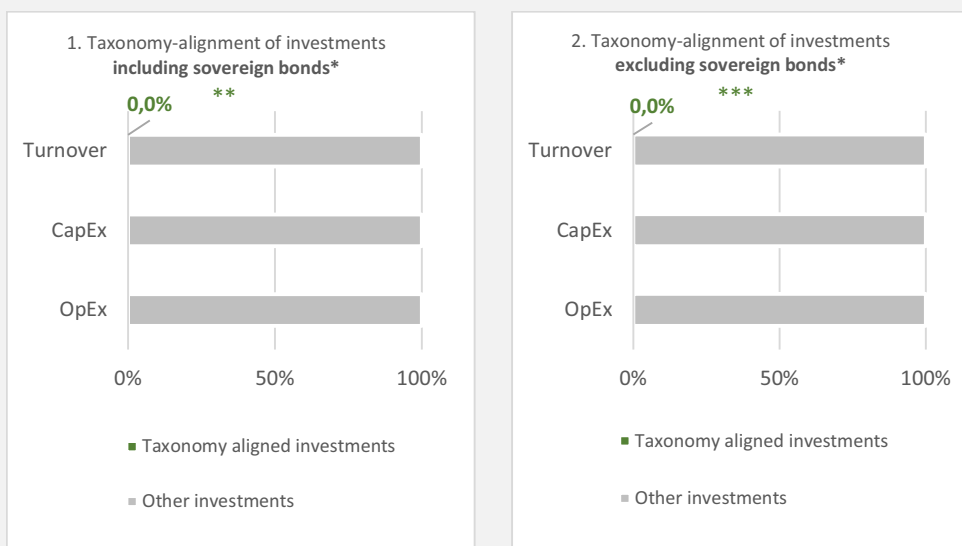
The financial product did not commit to having a minimum proportion of sustainable investments with an environmental objective in economic activities that are considered environmentally sustainable within the meaning of the EU Taxonomy, and it did not do so.

### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy <sup>1</sup>?

- Yes:
- In fossil gas
  - In nuclear energy
- No:

At the date of closure of the accounting year and preparation of the annual report, the data are not available and the management company does not have the information relating to the previous year.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* Real taxonomy aligned

\*\*\* Real taxonomy aligned. At the date of this periodic information document, the management company does not have all the necessary data to determine the alignment of investments with the taxonomy excluding sovereign bonds. The percentage of alignment of investments with the taxonomy including sovereign bonds being by construction a real minimum proportion, this same figure is used accordingly.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

### Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **What was the share of investments made in transitional and enabling activities?**

The share of investments in transitional and enabling activities within the meaning of the Regulations Taxonomy is 0% for transitional activities and 0% for enabling activities.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods ?**

Not applicable for the first periodic report..



- **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Not applicable.



- **What was the share of socially sustainable investments?**

Not applicable.



- **What investments were included under ' other', what was their purpose and were there any minimum environmental or social safeguards?**

The remaining proportion of the investments is used for liquidity, efficient portfolio management and/or hedging purposes. These investments, if any, are made in compliance with the investment manager and management company internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



- **What actions have been taken to meet the environmental and/or social characteristics during the reference period ?**

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com).

- The financial product's investment universe (MSCI EMU Net) shall be reduced by a minimum of 20% due to the implementation of BIM UK's own process of exclusionary sectorial and activities screens, best-in-class selection and carbon footprint reduction;. The financial product shall have at least 90% of its assets covered by an ESG analysis based on the ESG internal proprietary methodology.





**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

## How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How does the reference benchmark differ from a broad market index?*

Not applicable

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not applicable

- *How did this financial product perform compared with the reference benchmark?*

Not applicable

- *How did this financial product perform compared with the broad market index?*

Not applicable